CANADA - MANITOBA
Crop Insurance

Annual Report
1985 - 86*

The Manitoba Crop Insurance Corporation

*For the year ending March, 1986

Agriculture Canada

Manitoba Agriculture

CANADA - MANITOBA
Crop Insurance

The Manitoba Crop Insurance Corporation
3rd Floor
25 Tupper Street, North
Portage la Prairie, Manitoba
R1N 3K1

Refer to:

June 30, 1986

To the Honourable Bill Uruski,
Minister of Agriculture,
Winnipeg, Manitoba.

Dear Sir:

Presented herewith is the Twenty-Seventh Annual Report of The Manitoba Crop Insurance Corporation for the fiscal year ended March 31, 1986.

Respectfully submitted,

F.A. Tufford.

F.A. Tufford.
Chairman, Board of Directors

Agriculture Canada

Manitoba Agriculture
Crop Insurance Corporation

Table of Contents

TITLE	PAGE
Board of Directors	6
Officers	6
Objectives	6
Board Meetings	6
Organizational Chart	7
Financial Contributions	9
General Manager's Report	9
1985 Crop Conditions	10
Monthly Summary of Precipitation	11
1985 Causes of Loss	12
All-Risk Program	13
Additional (Part II) Hail Insurance	13
All-Risk Insurable Crops and Options	15
Program Issues and Research	16
Livestock Feed Security Program	17
Waterfowl Crop Damage Compensation Program	19
Report of Provincial Auditor	21
Appendices	31

Board of Directors

F.A. Tufford, Chairman
P.A. Rattai, Vice-Chairman
M.J. Sotas
N.H. Huminicki
W.D. Sloane

Officers

R.G. Dalgliesh, B.S.A., M.B.A.,
General Manager and Board Secretary
D.E. Forsberg, B.S.A., M.Sc.,
Assistant General Manager and Director of Field Division
M.J. Gagne, C.M.A.,
Director of Finance & Administration
H.R. Nelson, B.S.A., M.Sc.,
Director of Research & Planning
J.B. Hughes, LL.B., Q.C.,
Legal Counsel

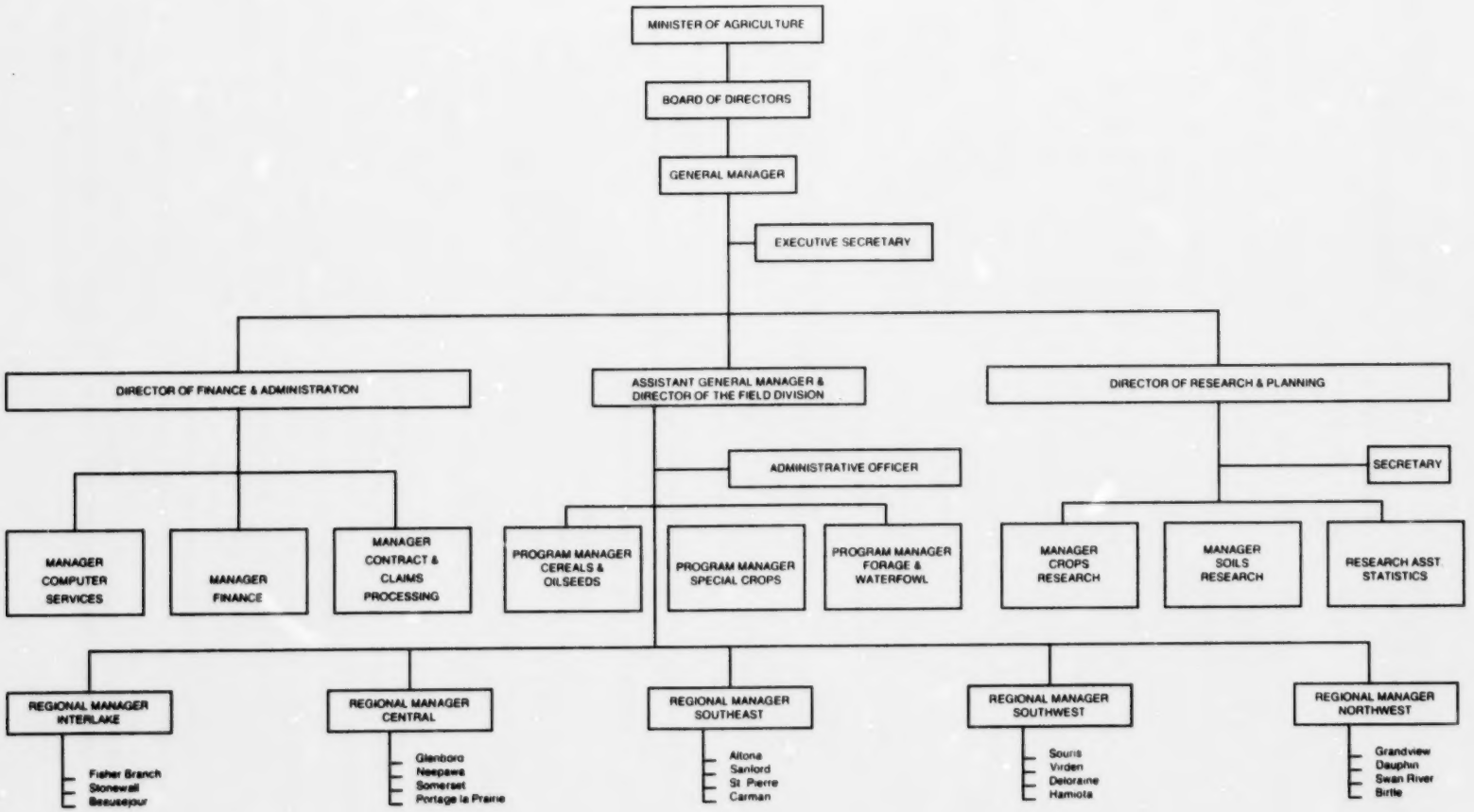
Objectives

1. To provide an opportunity to Manitoba farmers to protect their cash investment in their seeded crops from all uncontrollable natural hazards, thereby increasing the income of insured farmers in years when they suffer a crop loss and increasing the income of the entire rural economy in years when widescale crop loss occurs.
2. To provide an opportunity to Manitoba livestock producers in designated municipalities to protect their invetment in their livestock operation in those years when hay crops are poor due to uncontrollable natural hazards.
3. To provide additional hail insurance coverage on a spot loss basis as a service to farmers enrolled in the all-risk program.
4. To provide a loss adjusting service to the Department of Natural Resources which administers a compensation program for farmers who suffer crop losses due to certain species of wildlife and to administer a compensation program, on behalf of the Canada and Manitoba Governments, to farmers who suffer crop losses due to migratory waterfowl.

Board Meetings

Thirteen meetings of the Board of Directors were held.

Organization Chart — The Manitoba Crop Insurance Corporation



Financial Contributions by Governments of Canada and Manitoba

The Government of Canada provides financial assistance to the Canada-Manitoba Crop Insurance Program by contributing 50 per cent of the total premium required each year. The Federal Government's contribution to this program totalled $21,390,110 for the 1985/86 fiscal year.

The Government of Manitoba contributes all of the administration costs, which totalled $4,202,662 for the 1985/86 fiscal year.

General Manager's Report

The 1985 crop was the first year farmers were insured under the revised all-risk program. Bushel coverage per acre was up significantly from previous years with almost all crops insured at 70% of long term average yields.

Farmers accepted the changes very well, in spite of the fact that increased premiums accompanied the increase in bushel coverage. The following table summarizes certain key statistics:

	1984/85	1985/86
Contracts	14,087	14,723
Acres insured	5,201,985	5,641,003
Premium income	$ 30,056,792	$ 43,655,421
Total dollar coverage	$355,025,246	$438,225,691

The 1985 crop was one of the best ever grown in Manitoba. The major problem occurred during harvest when prolonged wet weather greatly decreased the production and value of many crops. Some rye crops, for example, were reduced from a 40 bushel potential to a sprouted mash of virtually no value. Many crops were unharvested when winter arrived and had to be completed in the spring. The long delay in harvest was a source of much frustration and added cost to many farmers. The Corporation paid out a total of $33.3 million to compensate farmers for crop losses of all types, including the Hail Spot Loss Program.

The Livestock Feed Security Program was available in 22 municipalities in 1985 with payouts occurring in 20 municipalities. Although the cereal crop was good, a variety of problems confronted hay producers. Some had drought early in the year. Others had too much rain. Those that did have good hay crops found that heavy rains during harvest greatly decreased their value. Many native hay meadows couldn't be harvested because they resembled small lakes when time came for harvesting.

The Governments of Manitoba and Canada could see the need to make the program available to all Manitoba livestock producers and directed the Corporation to gear up and make it available in all municipalities for 1986. The Corporation quickly geared up and measured hay production in the additional municipalities to be covered in 1986. Additional sales staff were hired in February and March to explain and sell the program to livestock producers for 1986.

The Additional (Part II) Hail Program was adjusted to enable farmers to insure up to $100 per acre in 1985. The program was promoted more vigorously with significant results. The following table summarizes significant statistics.

	1984/1985	1985/86
Contracts	6,079	6,778
Acres insured	2,701,992	3,113,683
Premium income	$ 4,603,874	$ 8,125,391
Total dollar coverage	$178,452,015	$258,210,579

Hail losses were significantly below normal in 1985 and enabled the Corporation to eliminate a $3,016,034 deficit and establish a small surplus of $823,814.

Although the 1985 crop was one of the best on record it was one of the worst as far as damage due to migratory waterfowl was concerned. Many crops lay in the fields for months and represented a virtual banquet for ducks and geese. The Corporation adjusted 530 claims and paid out a total of $1,060,000.

In 1985, a total of two new crops (soybeans and pedigreed alfalfa seed) were insurable for the first time. Research work was undertaken to enable three additional crops to be insured in 1986 (vegetable root crops, honey, and pedigreed alfalfa seed).

The Corporation continued to undertake a review of its administrative procedures with a view of improving service to farmers and decrease the amount of paper generated by the Corporation. A new computer was purchased and writing of new computer systems was started. Operating staff from all divisions of the Corporation were involved in "User Groups" to help establish needs. The new systems will begin to be phased in with the start of the 1987 crop year.

1985 Crop Conditions

Early spring soil moisture conditions for crop growth were generally rated as good with some excessive surface water being reported in the Eastern Region. Generally, planting began in the last week of April or the first week of May for most regions. By the end of the second week in May, 80 - 95% of the provincial cereal crop had been planted. Parts of the Eastern Region were 5 - 7 days behind other regions in planting. There was considerable winterkill in fall rye and winter wheat particularly those fields which were planted on fallow. Fields planted into standing stubble had a much higher rate of survival. Due to a lack of precipitation, pasture growth was poor to fair in most areas with the exception of parts of the Eastern and Northwest regions. Moderate to severe levels of soil erosion were reported in the Southwest and Southcentral Regions.

By the beginning of June, overall precipitation levels were still 20% below the long-term normal and 35% below 1984 levels. Despite the lower amounts of precipitation, levels of topsoil and subsoil moisture were adequate for crop growth. Strong winds on the 8th of June caused extensive damage to emerging rapeseed and flax crops in the Southwest, Central, and Eastern Regions resulting in extensive reseeding. Moderate to considerable frost damage to crops occurred around the Virden, Hamiota and Beausejour regions. Grasshopper infestations occurred in June, but their impact was minimized by cool, wet weather which aggravated hatching. The most notable grasshopper infestations were in the Southwest and Central Regions of the province. In the regions surrounding Swan River, Holland and Rathwell, cutworm and flea beetle infestations were a concern.

By mid-July soil moisture was being rapidly depleted because of lower than normal precipitation in previous months. Additional rainfall was required to prevent crop deterioration and to promote maturing. Overall, crops were rated good to excellent in all regions with cereals heading out and flax and rapeseed crops beginning to flower by mid-June. Heavy infestations of grasshoppers in July forced extensive spraying in the Southwest Region and corn was reported to be heavily infested with corn borer in the Morden region. Hail and wind damage occurred in spots in all regions with a severe hailstorm occurring on July 13 around the Beausejour area which caused extensive damage to wheat, barley, and rapeseed crops.

Precipitation levels in early August were still 22% below normal and the average August temperature was 5.5°C below the mean. Precipitation increased drastically as all regions experienced an extended period of heavy rainfall and cool weather during most of August. This in turn caused extensive lodging problems in wheat, barley, and rapeseed, and also slowed harvest operations, compared to 1984, by at least one week in most regions and by two weeks in the Interlake.

As of September 14, precipitation trends had reversed so that there was a 15% surplus over the long-term normal, with the highest levels of precipitation being recorded in the Interlake and Eastern Regions. While this precipitation was of some benefit to pasture land, it virtually brought the harvest to a standstill in the Interlake and parts of the Northwest Regions. Other areas that were able to harvest, such as the Central and parts of the South-central Regions reported record to near record yields. By this time up to 85% of the barley, wheat and rapeseed acreage had been swathed, however, only 65% of the wheat in the province had been threshed.

Cool and wet conditions persisted into October and were compounded by a heavy frost recorded on October 1 in the Northwest, Central, and Interlake Regions which damaged late seeded crops and corn. Continued wet and cool conditions induced moderate to severe sprouting of wheat, barley, and oats in the Eastern Region. On October 7 and 8, 10 - 30 cms. of snow fell on all regions of the province. By this time baled hay was beginning to deteriorate in areas where it could not be removed from water soaked fields. Fall tillage was well underway in most areas and was most advanced in the Central Region.

By November 5, up to 98% of the cereals, 95% of the rapeseed and 90% of the flax had been harvested in the province, however, up to 25% of the cereal crop remained unharvested in the Swan River Valley and in the Arborg-Fisher Branch regions. Operators in these areas were waiting for the ground to freeze so they could move heavy maachinery onto water soaked fields. Fall tillage had been completed in most areas by November 5, but liquid fertilizer application was down 80% due to the lengthy harvest season.

Many crops went under the snow in all regions except the Southwest Region. Heavy rains in April delayed harvesting of these crops until May in most areas. Those crops which were eventually harvested were of low quality.

Monthly Summary of Precipitation -

April -October 1985

	1. Western Manitoba	2. West Red River Valley	3. East Red River Valley	4. Interlake	Dauphin	Swan River
Number of Days With At Least a Trace of Precipitation						
April	2.0	5.3	6.0	5.3	2.0	12.0
May	9.0	10.5	9.0	6.3	8.0	13.0
June	16.0	15.8	12.0	14.7	16.0	18.0
July	6.0	12.0	11.8	11.3	9.0	10.0
August	16.8	15.8	14.3	12.3	24.0	11.0
September	14.0	13.0	9.5	10.3	13.0	15.0
October	8.5	8.5	9.0	9.0	5.0	5.0
Total Precipitation in Millimeters						
April	14.0	16.3	19.6	14.1	9.2	21.1
May	43.0	60.5	61.9	50.3	50.7	61.8
June	89.9	90.2	88.4	74.5	85.6	83.2
July	17.7	30.8	45.5	53.3	26.2	57.2
August	159.2	201.1	187.8	178.8	241.7	108.4
September	83.9	36.0	46.3	56.1	75.3	49.0
October	21.2	37.9	46.3	41.9	14.1	12.8
Percentage of Normal Precipitation						
April	42.5%	39.8%	49.5%	38.3%	29.0%	93.0%
May	90.3%	94.5%	100.0%	99.3%	107.0%	147.0%
June	116.0%	119.3%	108.8%	89.7%	99.0%	109.0%
July	26.0%	41.8%	58.8%	87.0%	41.0%	82.0%
August	245.0%	280.3%	255.0%	260.7%	354.0%	164.0%
September	164.0%	70.8%	80.8%	98.3%	128.0%	91.0%
October	85.5%	125.3%	135.0%	124.7%	49.0%	49.0%
Average Monthly Temperature Difference from Normal in Degrees Celsius						
April	3.4	1.6	3.0	3.3	3.2	3.1
May	1.9	1.6	1.7	1.5	1.4	2
June	-3.1	0.1	-3.2	-2.6	-2.9	-2.7
July	-1.3	-0.6	-2.0	-1.1	-0.9	-0.5
August	-2.7	-1.7	-1.6	0.1	-2.7	-1.5
September	-2.9	-1.9	-2.1	-2.2	-2.4	-1.5
October	-0.8	-0.7	-1.0	-0.6	-0.6	-0.2

NOTES

1. Average of four Climatological Stations: Brandon C.D.A., Hamiota, Birtle, Pierso
2. Average of four Climatological Stations: Portage la Prairie A, Morden C.D.A., Mo
3. Average of four Climatological Stations: Emerson, Sragué, Steinbach, Beausejour.
4. Average of three Climatological Stations: Ashern, Arborg. Gimli.

1985 Causes of Loss — Summary

In 1985 the major cause of loss was frost which accounted for 38.6% of the total losses for the year. Other substantial causes of loss included excess moisture, wind, and drought which resulted in 22.3%, 20.0%, and 9.4% of the total loss respectively. This does not include losses paid under the Hail Spot Loss Option or indemnities paid for losses due to excess moisture under the Unseeded Acreage program.

The heaviest losses occurred with grain corn where 90.74% of the liability carried by the Corporation was paid out. This was followed by triticale for which there was a payout of 68.12% of the liability, however, only 40 acres were insured. The Corporation also paid out a significant proportion of the liability carried on the following crops: field beans (54.21%), sunflowers (40.21%), fababeans (38.98%), buckwheat (38.49%), and fall rye (32.30%). Programs which had the least liability paid out were: durum wheat (1.35%), and red spring wheat (1.85%). The following two tables summarize the causes of loss and the per cent of liability paid out by crop and cause of loss for 1985.

1985 Causes of Loss All Crops — All Province

Cause	Dollar Loss*	Per Cent of Total Loss
Frost	$10,281,932.36	38.6
Excess Moisture	5,946,983.21	22.3
Wind	5,319,024.00	20.0
Drought	2,508,533.68	9.4
Winterkill	698,610.25	2.6
Grasshoppers	588,375.28	2.2
Soil Crusting	505,339.12	1.9
Hail	412,461.58	1.5
Miscellaneous	349,808.21	1.3
All Causes	$26,611,067.69	

** Does not include losses due to Hail Spot Loss or Unseeded Acreage Option which are designed to cover a specific loss and are outside of the all-risk total production guarantee. A separate premium is charged for each of these options.*

Crop	Per cent of Liability Paid	Major Causes of Loss by Crop Indemnity as Per cent of Total Indemnity Loss*					
Grain Corn	90.74	Frost	85.51%	Wind	8.44%	Excess moisture	4.40%
Triticale	68.12	Excess Moisture	100.00%				
Fld. Beans	54.21	Frost	72.74%	Excess Moisture	17.99%	Wind	5.55%
Sunflowers	40.21	Frost	37.41%	Wind	30.87%	Excess Moisture	21.07%
Fababeans	38.98	Excess Moisture	49.56%	Frost	23.68%	Drought	11.73%
Buckwheat	38.49	Frost	42.08%	Excess Moisture	38.80%	Drought	12.06%
Fall Rye	32.3	Winter Kill	48.56%	Excess Moisture	31.70%	Drought	9.23%
Sil. Corn	22.09	Frost	63.06%	Excess Moisture	24.13%	Wind	6.34%
Mustard	14.72	Wind	33.19%	Excess Moisture	23.96%	Frost	22.48%
Timothy Sd.	14.5	Excess Moisture	57.40%	Drought	26.81%	Frost	11.33%
Mix. Grain	11.77	Excess Moisture	48.42%	Drought	27.99%	Grasshoppers	14.11%
Rapeseed	10.7	Wind	46.45%	Frost	28.19%	Excess Moisture	12.18%
Oats	10.21	Excess Moisture	36.45%	Drought	24.81%	Frost	14.82%
Lentils	9.61	Drought	36.66%	Excess Moisture	28.75%	Wind	18.90%
Soybeans	7.66	Frost	100.00%				
Sugar Beet	6.29	Wind	72.55%	Soil Crust	21.49%	Excess Moisture	2.83%
Flax	5.47	Wind	37.89%	Frost	24.49%	Excess Moisture	20.60%
Field Peas	5.17	Excess Moisture	75.96%	Frost	10.50%	Hail	5.07%
Barley	2.81	Excess Moisture	44.75%	Drought	23.92%	Frost	8.57%
Can. Seed	2.78	Excess Moisture	75.90%	Frost	15.58%	Wind	6.05%
Util. Wheat	2.3	Drought	41.62%	Frost	22.39%	Drought	17.59%
Rs. Wheat	1.85	Excess Moisture	45.73%	Drought	19.43%	Frost	18.65%
Dur. Wheat	1.35	Excess Moisture	33.63%	Drought	19.71%	Frost	15.46%

** Does not include loss under the Hail Spot Loss or Unseeded Acreage Options*

All-Risk Program

Features of the Program:

Crops Insured — Red spring wheat, utility wheat, amber durum wheat, oats, barley, mixed grain, fall rye, buckwheat, flax, rapeseed, sunflowers, mustard, field peas, grain corn, sugar beets, potatoes, fababeans, lentils, canary seed, field beans, triticale, silage corn, cultivated forage for hay production and forage hay establishment option.

A soybean test program and a pedigreed timothy seed test program with a seedling establishment option were introduced in 1985.

Designated Perils:

Drought, excessive moisture (including flooding), frost, hail, wind (including tornado), disease (including rust), insect pests and wildlife.

Options:

(a) **Hail Spot Loss** — enables the all-risk coverage to be paid out on a spot loss basis regardless of the yield on the rest of that field or other fields. Coverage must be selected on or before April 30, and covers only those insurable crops selected by the Insured for all-risk coverage. Coverage per acre is limited to the all-risk coverage as determined by the Insured's Seeded Acreage Report. The premium is shared by the Government of Canada.

(b) **Unseeded Acreage Insurance** — covers loss from failure to seed land because of excess moisture.

Additional (Part II) Hail Insurance:

Is available to all-risk contract holders on any or all of the 25 insurable crops. Premium rates are based on crop insurance risk areas rather than on a township basis, thereby providing a more stable rate for the entire area. Coverage can be selected at any time during the growing season. Insured farmers pay all the premium and administration costs of this program.

Productivity Index:

Basic coverage in tonnes per acre is determined on the basis of soil productivity. Since variability increases as soil productivity decreases, the same basic premium is charged for all soils in a risk area. This results in an appropriate premium rate for each soil type.

Risk Areas:

Manitoba has been divided into fifteen areas of similar risk on the basis of climate, soils, topography and history of crop production. In crops where adequate information exists, premium rates are established on a risk area basis.

Individual Coverage Adjustment:

Coverage is adjusted on an individual basis according to each farmer's own crop insurance record. Newly insured farmers are assigned the basic risk area average coverage for the particular soil zones on which they operate. If a farmer has infrequent or small losses it is assumed he has above average yields and coverage is adjusted upwards. Alternately, high losses on a consistent basis will result in the farmer's coverage either remaining at basic or being adjusted downwards.

Premium Discounts and/or Surcharges:

Starting in 1985, premium discounts are handled similar to coverage. Favorable experience, as indicated by no losses or infrequent or small losses, result in premiums being discounted by as much as 25 per cent. Unfavorable experience, as indicated by consistent and high losses, result in premiums being surcharged by as much as 25 per cent. Insured farmers with high discounts (up to 50 per cent) under the previous discount system retain their discount until they: have a claim, move to a higher discount on the new system, or until they cancel their existing contract.

Coverage Increases In Stages:

With the exception of potatoes and sugar beets, coverage applies in two stages. Crops destroyed or damaged prior to June 25 are covered at 50% of full coverage. After June 25, crops are covered at 100% of full coverage. With potatoes and sugar beets, coverage increases in three and four successive stages respectfully which correspond with increased cash investments made by the insured farmer.

Reseeding Benefit:

This benefit has been brought into the program to compensate the insured farmer for having to reseed due to

an insurable hazard. With the exception of sugar beets, the farmer can receive 25% of the full coverage on the originally seeded crop, provided that the parcel of land are at least 20 acres in size. The original crop must be destroyed and the reseeded crop must be eligible for and covered by crop insurance. Sugar beets qualify for 15% of full coverage on parcels of 20 acres or more.

Crop Adjustments:

Claims for individual crops are adjusted separately. Insured farmers receive indemnity payments based on the difference between their coverage and the amount of harvested production. If applicable, harvested production is discounted if the crop is of poor quality.

If all the crop is lost prior to harvesting, the claim can be finalized immediately. If only part of the crop is damaged and the farmer wishes to put the land to another use, the acres to be destroyed will be appraised to determine the production still remaining on those acres. Once the remaining crop has been harvested, the appraised production on the destroyed acres are combined with the harvested production to determine if a claim is payable.

Landlord Insurance:

Crop insurance is available to a landlord who rents on a crop share basis. The tenant must also be insured.

Optional Dollar Values Available:

Insured farmers have the option of selecting any one of three different dollar values for each tonne of coverage per acre. This allows producers to tailor their coverage more closely to their individual coverage requirements.

Quality Guarantee:

If the grade of the farmer's harvested crop is below the guaranteed grade for that crop, the harvested yield is factored downward in proportion to the difference in value of the harvested grade and the guaranteed grade.

The guaranteed grades for the insurable crops are set out in the following table "1985 M.C.I.C. All-Risk Insurable Crops and Options".

1985 M.C.I.C. All-Risk Insurable Crops and Options

Insurable Crops	Final Seeding Date	Guaranteed Grade	Dollar Option/t Low	Med	High
Barley	June 20	#1 Feed	$ 85	$100	$120
Buckwheat	June 25	#3 Canada	120	145	170
Canary Seed	June 10	Less than 4% hulled	160	190	220
Corn - Grain	May 25 Area "B"	#3 C.W.	90	105	125
	June 1 Area "A"				
- Silage	June 10	35% Dry Matter	12	15	18
Fababeans	May 25	#3 Canada	120	140	160
Fall Rye-Harv 85		#3 Canada	90		130
Fall Rye-Harv 86	Sept 25/85	#3 Canada	90	110	130
Field Peas	June 10	#3 C.W.	120	145	170
Field Beans - White)	June 1 Area "B"				
)	June 5 Area "A"	#1 Canada	230	280	330
- Black & Pinto	June 5 Area "A"	#2 Canada			
Flax	June 20	#2 Canada	200	240	280
Lentils	June 1	#2 Canada	220	260	300
Mixed Grain	June 20	55 kg/hl	70	85	100
Mustard	June 20	#1 Canada	180	215	250
Oats	June 20	#1 Feed	70	85	100
Potatoes	June 5 (maturing late)	Marketable Prod.	60	70	80
	June 15 (maturing early)				
Rapeseed	June 10 (Argentine)	#1 Canada	200	240	280
	June 25 (Polish)				
Soybeans	June 1	#2 Canada	180	220	260
Sugar Beets	June 15	125 kg/t	25	30	35
Sunflowers	June 10	#1 Canada	180	215	250
Pedigreed Timothy Seed		% Germ 70 or more	360	430	500
Triticale	June 10	#2 Canada	100	120	140
Wheat-Red Spring	June 20	#2 C.W.R.S.	110	130	150
Amber Durum	June 20	#3 C.W.A.D.	110	130	150
Utility	June 20	#1 C.U.	100	120	140

Insurable Options:

Hail Spot Loss

	(Dollars Per Acre)		
Unseeded Acreage:			
Soil Zones A-H	$15	$20	$25
Soil Zones I-J	10	15	20
Livestock Feed Security:	$60-$220 (with $20 increments)		
Cultivated Forage: - 1985	$27		$45
- 1986	$35	$40	$45
including Alfalfa, Alfalfa Grass Mixtures, and Sweet Clover			

	(Dollars Per Acre)			
	Low		High	
	A*	B**	A*	B**
Forage Hay Establishment:				
Alfalfa	$15.00	$30.00	$20.00	$40.00
Alfalfa Grass Mixtures	10.00	20.00	15.00	30.00
Grasses (Spring Seeded)	10.00	20.00	15.00	30.00
Grasses (Fall Seeded)	10.00	20.00	15.00	30.00
Sweet Clover	5.00	10.00	7.50	15.00
Forage Seed Establishment:				
Timothy (spring seeded)	10.00	20.00	15.00	30.00
Timothy (fall seeded)	10.00	20.00	15.00	30.00

* *A — Seeded with a Companion Crop*
** *B — Seeded without a Companion Crop*

Program Issues and Research

No major changes were made to the crop insurance program for 1986. At the time the 1986 program was being prepared, insufficient data on the 1985 changes was available to analyze for any major change. The main changes for 1985 included offering one bushel coverage level and three dollar options as opposed to three bushel coverage levels and two dollar options. The other change for 1985 was the inclusion of a technology factor for wheat coverage on the 25 year basis and the conversion of oats, barley, mixed grain, flax, rapeseed, mustard and buckwheat coverage to 70% of a 15 year average as opposed to 70% of a 25 year average.

The correction factors for risk area 15 premium rates for wheat, oats, barley, mixed grian, flax and rapeseed were updated to include the 1984 yield comparisons for the combined insured and non-insured population. The correction factors for the same crops for 1986 were .87, 1.00, .91, .90, .82, and .84 respectively.

Coverage for rapeseed was established separately for the Argentine and Polish types for the first time in 1986. The yield for Argentine rapeseed was established at 108% of the combined yields and the yield of Polish rapeseed was established at 68% of the combined yields. These factors were based on the relative yields reported by producers on their yield questionnaires.

For purposes of establishing final seeding dates for rapeseed and buckwheat, the province was divided into area "A" and "B".

Area "A" included risk areas 1, 2, 4, 5, 10, 11 and 12 plus that part of risk area 6 south of township 14 and that part of risk 3 south of township 16.

Area "B" included risk areas 7, 8, 9, 14, 15, and 16 plus that part of risk area 6 north of township 13 and that part of risk area 3 north of township 15.

The final dates of seeding for rapeseed and buckwheat for 1986 are as follows:

	Area A	Area B
Argentine Rapeseed	June 15	June 10
Polish Rapeseed	June 25	June 20
Buckwheat	June 25	June 20

The above dates were established on the basis of crop insurance experience and questionnaire yield information in the respective areas.

Because of the lack of data on mixed grain for all risk areas for all soil zones, coverage for mixed grain was assigned on the basis of 90% of barley coverage. On an all province basis, mixed grain yields are 90% of barley yields.

Fababean yields were adjusted to correct for a metric conversion error introduced into the program in 1981.

The minimum eligible acreage for the forage seed and hay establishment options was reduced from 20 acres to 5 acres. It was noted that a number of producers were establishing fields of less than 20 acres.

Although 1984 experience for the Unseeded Acreage Insurance program was favorable in most Risk Areas, adding approximately $75,000 to the fund, the accumulated experience from 1968 - 1984 has resulted in a deficit of approximately $308,000. The accumulated loss ratios and loss cost ratios are 1.22 and 3.1% respectively.

For 1985, the premium calculation for Unseeded Acreage was revised so that premiums were paid on insurable acres rather than on the total acreage less the summerfallow deductible. The new effect was to increase the premium rate while reducing the number of acres for which a premium was charged.

The 1986 premium rates for Unseeded Acreage have been calculated by incorporating 1984 experience and deleting a year of the basic rate. The 1986 Risk Area deductible summerfallow percentages have been recalculated, adding on 1984 and dropping off 1980.

Coverage was offered for winter wheat on a test basis for the first time in 1986. Coverage was restricted to risk area 1, 2, 3, and 8. Since coverage was provided for all causes of loss covered in the contract, including rust, coverage was limited to growers who had grown winter wheat previously. Coverage and premium rates were established at 110 per cent of hard red spring wheat. Coverage had to be selected by August 31, 1985 and crops had to be planted by September 15, 1985 in order to be eligible for insurance. Crops had to be planted into undisturbed stubble in order to qualify for coverage. Dollar values were established at the same level as utility wheat.

Coverage was offered for pedigreed alfalfa seed on a test basis in 1986 for the first time. Coverage was available in all areas of the province to all insured farmers. Initial coverage was established on an all province basis at 0.65 tonnes per acre for all growers. The theoretical premium rate was used to calculate premiums for this crop. Since management is so important in the determination of yield, the production from each grower will be measured, as it currently is with potatoes, in order to establish individual coverage for all growers. Coverage is not provided for losses that result when a grower has not established an adequate population of leaf cutter bees. Establishment coverage was offered for pedigreed alfalfa seed.

Coverage was offered for four vegetable crops on a test basis for the first time in 1986. Crops covered included cooking onions, rutabagas, parsnips, plus processing and table carrots. Initial coverage was offered at 70% of the average all province yield. Growers will be moved onto individual coverage as quickly as possible. One premium rate was established for all four crops due to lack of data; however, individual rates will be established for each crop as soon as sufficient data becomes available. Producers selecting the vegetable crop option must insure all their acres of any of the four insurable crops which they plant. In order to be eligible for coverage, growers must intend to plant two or more acres of any of the insurable crops and must be prepared to irrigate as required. Unlike other crops, the reseeding benefit is deducted from the coverage of the crop which is worked down. The reseeding benefit for onions, carrots, and parsnips is 25% of full coverage while it is 10% of full coverage for rutabagas. Final seeding dates and coverage at stages 1, 2, and 3 vary depending on the crop as outlined in the regulations. Hail coverage was offered as an option under both the Hail Spot Loss program and the Additional (Part II) Hail program.

Coverage was offered on a test basis for honey in 1986 for the first time. Coverages and premiums were calculated on the basis of five regions which are the same as Manitoba Agriculture's five regions. Coverage is provided for loss of honey production caused by all natural hazards beyond the control of the operator. Producers must operate 50 colonies or more, must be registered with under the Manitoba Bee Act, and must apply before April 30, 1986 in order to be eligible for coverage in 1986. Coverage will be based on each producer's record of production as soon as information becomes available. Coverage was established at 70% of the average yield for honey.

The risk area boundary between Risk Areas 6 and 7 between Strathclair and Ipswich was revised to transfer a narrow strip of land from Risk Area 7 to Risk Area 6. This change is intended to reduce confusion respecting the boundary line and to simplify administration of the program. It is not anticipated the change will have any adverse effects on the program.

Canada-Manitoba Livestock Feed Security Program

The Livestock Feed Security Program was available in 1985 in the Rural Municipalities and Local Government Districts of Alonsa, Argyle, Armstrong, Brokenhead, Coldwell, Dauphin, Eriksdale, Grahamdale, Grey, Hanover, Portage la Prairie, Rockwood, Rossburn, Sifton, Siglunes, South Norfolk, St. Laurent, Stuartburn, Wallace, Westbourne, Woodlands, and Woodworth. Three of the largest municipalities, Alonsa, Armstrong and Grahamdale were split into two or three portions and yield and payout calculations were made on each portion separately.

All livestock producers who overwintered cows on a home quarter within the municipalities were eligible to insure. Coverage was available in dollars per cow ranging from a minimum of $60 to a maximum of $220 per cow.

An all province theoretical premium rate of 7.34% was calculated using regional rates, weighted by forage types and acreages in each of the regions. The farmer premium rate was 3.67% with the Federal Government providing financial assistance to the program by contributing an amount equal to the insured farmer's premium. The Province provided for all administration costs.

Seven year average base yields were calculated for each municipality for alfalfa, alfalfa-grass mixtures and grasses. Native hay comparisons were made on a farmer by farmer basis. The total hay production from at least 10 producers in each municipality was measured and average yields per acre calculated. These yields were adjusted for quality using a Total Digestible Nutrients (TDN) base of each forage type from each selected producer. The wet harvesting conditions in 1985 contributed to reduced quality and increased moisture content of the hay, both of these reducing the net production of hay.

Livestock Feed Security Program Experience for 1985

Municipality	Contracts	Dollar Coverage	Farmer Premium	Average Cows per Contract	Average Coverage Per Cow	Per Cent of Normal Crop	Per Cent Payout	Total $ Indemnity
Alonsa Central	17	351,960	12,898.08	130	$159	41	58	204,136.80
Alonsa North	20	369,360	13,534.98	110	167	50	40	147,744.00
Alonsa South	29	301,240	11,038.30	60	173	61	18	54,223.20
Argyle	123	694,040	25,441.76	37	153	53	34	235,973.60
Armstrong East	39	383,680	14,062.18	52	189	50	40	153,472.00
Armstrong West	58	660,000	24,185.89	60	191	40	60	396,000.00
Brokenhead	21	129,780	4,758.44	43	145	78	0	0.00
Coldwell	77	1,030,500	37,757.06	63	213	44	52	535,860.00
Dauphin	55	399,440	14,637.69	46	157	67	6	23,966.40
Eriksdale	73	816,700	29,924.40	55	203	53	34	277,678.00
Grahamdale Central	31	389,300	14,266.33	66	190	43	54	210,222.00
Grahamdale North	10	138,320	5,068.50	81	170	37	66	91,291.20
Grahamdale South	10	108,420	3,972.33	50	217	43	54	58,546.80
Grey	67	651,560	23,874.44	51	192	52	36	234,561.60
Hanover	103	1,317,960	48,302.33	67	190	72	0	0.00
Portage la Prairie	57	432,660	15,855.89	49	154	61	18	77,878.80
Rockwood	24	147,480	5,405.02	38	160	50	40	58,992.00
Rossburn	39	241,180	8,838.86	36	171	62	16	38,588.80
Sifton	78	1,081,720	39,643.94	78	178	44	52	562,494.40
Siglunes	81	1,306,220	47,856.92	76	212	47	46	600,861.20
South Norfolk	12	97,060	3,557.41	53	152	44	52	50,471.20
St. Laurent	45	835,640	30,615.52	85	219	45	50	417,820.00
Stuartburn	40	286,840	10,515.59	55	131	40	60	172,104.00
Wallace	99	696,780	25,535.04	42	170	58	24	167,227.20
Westbourne	50	406,820	14,914.00	59	139	43	54	219,682.80
Woodlands	41	392,860	14,397.18	58	166	54	32	125,715.20
Woodworth	85	1,011,550	37,072.25	55	194	43	54	546,237.00
Total -	1394	14,679,070	$537,930.33	58	$182		39%	5,661,748.20
Federal Share			$537,930.33					
			$1,075,860.66					

Canada-Manitoba Waterfowl Crop Damage Compensation Program

The Canada-Manitoba Waterfowl Crop Damage Compensation program is a program to reduce income losses to Manitoba farmers caused by migratory waterfowl damaging crops. Compensation is provided on most crops eligible for coverage under the All-Risk Crop Insurance program.

The Government of Canada and the Government of Manitoba provide equal financial support to the operation of the Canada-Manitoba Waterfowl Crop Damage Compensation program. Under the agreement covering the program, the maximum payment that could be made in Manitoba in 1985/86 was $816,300.

However, in 1985/86, a total of $1,060,000 was paid to Manitoba farmers to partially compensate them for losses. The Federal and Provincial Governments agreed to advance additional funds to enable compensation to be paid 100 cents on the dollar. Without the additional funding, all claims would have been prorated at 77%.

Manitoba

The Manitoba Crop Insurance Corporation

Report of The Provincial Auditor's Office

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Manitoba Crop Insurance Corporation for the fiscal year ended March 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation as at March 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

June 13, 1986,
Winnipeg, Manitoba

F.H. Jackson, C.A.,
Provincial Auditor

Exhibit A

The Manitoba Crop Insurance Corporation

Balance Sheet

As at March 31, 1986

Assets

	1986	1985
Cash on deposit with the Minister of Finance and in bank	$ 2,362,076	$ 2,319,568
Premiums receivable, net of allowance for doubtful accounts of $258,170, (1985 - $202,141):		
Due from insured persons	1,920,760	1,015,684
Accrued interest	119,691	72,255
	2,040,451	1,087,939
Amount receivable from Reinsurance Fund of Manitoba (Note 5)	3,680,885	1,397,512
Accounts receivable — Government of the Province of Manitoba	22	25,000
Accounts receivable — other	3,289	431
Due from Hail Insurance	171,883	176,704
Prepaid expenses	25,247	8,107
	$ 8,283,853	$ 5,015,261
Hail Insurance		
Cash on deposit with the Minister of Finance and in bank	$697,815	$ 429,988
Premiums receivable, net of allowance for doubtful accounts of $107,667, (1985 - $59,427):		
Due from insured persons	901,311	364,074
Accrued interest	56,571	26,608
	957,882	390,682
	$ 1,655,697	$ 820,670
	$ 9,939,550	$ 5,835,931

Approved by:

_____ Director

_____ Director

Liabilities and Reserves

	1986	1985
Reinsurance premiums payable (Note 5):		
Government of Canada	$ 452,442	$ 154,320
Government of the Province of Manitoba	452,442	308,640
	904,884	462,960
Amount payable to Reinsurance Fund of Manitoba (Note 3)	4,000,000	4,000,000
Indemnities payable	2,727,697	336,402
Other account and program payables (Note 7)	209,904	152,630
Premiums collected in advance	441,368	63,269
Reserve for the Payment of Indemnities, Exhibit B	—	—
	$ 8,283,853	$ 5,015,261
Due to General Crop Insurance	$ 171,883	$ 176,704
Advance from the Government of the Province of Manitoba (Note 4)	660,000	3,660,000
Reserve for the Payment of Indemnities (Deficit), Exhibit C	823,814	(3,016,034)
	$ 1,655,697	$ 820,670
	$ 9,939,550	$ 5,835,931

Exhibit B

The Manitoba Crop Insurance Corporation
General Crop Insurance

Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities

for the year ended March 31, 1986

	1986	1985
Revenue:		
Premiums:		
Insured persons	$22,368,878	$15,145,689
Government of Canada (Note 2(B))	21,390,110	15,291,019
	43,758,988	30,436,708
Filing fee	3,620	3,020
Administrative expenses recovered from the Government of the Province of Manitoba, Schedule 1 (Note 2(C))	4,202,662	4,042,598
Interest	274,157	205,816
Total revenue	48,239,427	34,688,142
Expenditure:		
Administrative expenses, Schedule 1 (Note 2(C))	4,202,662	4,042,598
Reinsurance premiums (Note 5):		
Government of Canada	6,417,033	2,293,653
Government of the Province of Manitoba	6,417,033	4,587,306
Discounts	8,405	2,736
Indemnities	38,949,344	30,566,560
Bad debts (recovered)	65,303	(7,198)
Total expenditure	56,059,780	41,485,655
Revenue under expenditure	$ 7,820,353	$ 6,797,513
Reserve for the Payment of Indemnities:		
Beginning of year	—	—
Recovered from Reinsurance Fund of Manitoba, (Note 5)	7,820,353	6,797,513
End of year, Exhibit A	$ —	$ —

Exhibit C

The Manitoba Crop Insurance Corporation
Hail Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities
for the year ended March 31, 1986

	1986	1985
Revenue:		
Premiums charged to insured persons at established rates	$8,125,391	$ 4,603,874
Interest	341,402	190,038
	8,466,793	4,793,912
Expenditure:		
Administrative expenses, Schedule 2 (Note 6)	880,911	517,238
Indemnities	3,696,891	7,728,089
Bad debts (recovered)	49,143	(39)
Total expenditure	4,626,945	8,245,288
Revenue over (under) expenditure	3,839,848	(3,451,376)
Reserve for the Payment of Indemnities (Deficit):		
Beginning of year	(3,016,034)	435,342
End of year, Exhibit A	$ 823,814	$(3,016,034)

Schedule 1

The Manitoba Crop Insurance Corporation
General Crop Insurance

Statement of Administrative Expenses

for the year ended March 31, 1986

	1986	1985
Adjusters' wages and expenses	$ 1,191,423	$ 1,114,123
Administration and field in-service training	13,734	12,460
Advertising	30,739	74,807
Appeal tribunal	148	1,331
Audit fee	19,496	19,423
Computer equipment, rental and usage	399,327	169,645
Directors' remuneration and expenses	15,947	22,682
District offices' rentals and miscellaneous	37,953	43,303
Employee benefits	133,678	135,955
Employer share of pensions (Note 2(D))	64,711	64,527
Furniture and equipment purchases (Note 2(E))	51,525	18,926
Health and Post Secondary Education Tax Levy	39,436	42,036
Legal fees	13,034	12,764
Miscellaneous	31,322	18,548
Office equipment rentals	9,135	10,381
Postage	27,563	30,277
Printing, stationery and office supplies	96,536	95,154
Salaries	1,845,392	1,957,308
Special studies	1,403	776
Telephone	41,213	41,718
Travel	119,482	134,580
Workers' compensation	19,465	21,874
Total administrative expenses, Exhibit B	$ 4,202,662	$ 4,042,598

Schedule 2

The Manitoba Crop Insurance Corporation
Hail Insurance

Statement of Administrative Expenses

for the year ended March 31, 1986

	1986	1985
Adjusters' wages and expenses	$138,509	$177,507
Administration and field in-service training	3,346	562
Advertising	12,423	2,866
Audit fee	2,455	2,158
Computer equipment, rental and usage	99,832	40,053
Directors' remuneration and expenses	3,987	2,534
District offices' rentals and miscellaneous	9,636	4,689
Employee benefits	33,419	15,187
Employer share of pensions (Note 2(D))	16,178	—
Furniture and equipment purchases (Note 2(E))	4,251	1,347
Health and Post Secondary Education Tax Levy	9,859	4,696
Legal fees	3,259	1,206
Miscellaneous	7,955	2,220
Office equipment rentals	2,284	1,159
Postage	6,891	3,382
Printing, stationery and office supplies	20,579	16,411
Salaries	461,348	218,646
Telephone	10,303	4,660
Travel	29,531	15,512
Workers' compensation	4,866	2,443
Total administrative expenses, Exhibit C	$880,911	$517,238

The Manitoba Crop Insurance Corporation

Notes to Financial Statements

March 31, 1986

1. Authority

The Manitoba Crop Insurance Corporation is incorporated under a specific Statute of the Province of Manitoba, being Chapter C-310 of the Revised Statutes of Manitoba, 1970.

2. Significant Accounting Policies

(A) *Programs*

The Corporation operates general crop and hail insurance programs for Manitoba farmers and accounts for these programs separately.

The Corporation is also responsible for the administration of various agricultural-related programs on behalf of the Government of the Province of Manitoba and the Government of Canada. The funds received to administer these programs are netted against expenditures. The operations of these programs are disclosed in the notes to the financial statements.

(B) *Premiums*

The Corporation recognizes as revenue all premiums earned on crop policies in force during the year. An agreement between the Governments of the Province of Manitoba and Canada provides for the matching by Canada on a cash basis, of insurance premiums collected from insured persons under the General Crop Insurance Program. The matching portion from Canada is shown as revenue. The insurance premium rates are adjusted annually on a basis a breakeven position being maintained over 10 to 25 years of crop loss experience.

(C) *Administrative Expenses*

The agreement between the Governments of the Province of Manitoba and Canada, referred to in section (B) of this note, also stipulates that all administrative expenses relating to the general crop insurance program will be met by the Government of the Province of Manitoba. Certain of these costs are common to both the general crop insurance program and hail insurance programs and are allocated on a basis approved by the Corporation's Board of Directors. Administrative expenses relating to the hail insurance program are met by Insured Farmers. The Corporation's head office and certain of its field office accommodations are provided by the Government of the Province of Manitoba at no charge to the Corporation and accordingly, are not reflected in these financial statements.

(D) *Pensions*

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Corporation's employees amounted to $1,397,406 as at December 31, 1985 ($1,252,056 as at December 31, 1984).

(E) *Fixed Assets*

Furniture and equipment purchases are charged to operations in the year of acquisition.

3. Amount Payable to Reinsurance Fund of Manitoba

Under the terms of the Crop Insurance Reinsurance Agreement, the Corporation is liable for the repayment, without interest, of advances from the Reinsurance Fund of Manitoba when there is a surplus in the Reserve for the Payment of Indemnities.

4. Advance from the Government of the Province of Manitoba

When necessary, there is a provision for the Corporation to receive, under the hail insurance program, interest free loans to be used for the payment of indemnities.

5. **Reinsurance Funds — General Crop Insurance**

In accordance with the terms of a reinsurance agreement between the Governments of the Province of Manitoba and Canada and the Corporation, the Corporation is liable for reinsurance premiums to the Crop Reinsurance Fund of Manitoba and the Crop Reinsurance Fund of Canada for Manitoba, based on premiums collected plus the matching portion paid by the Government of Canada. When indemnities are in excess of Corporation's reserve and certain other conditions are met, payments are made from the Reinsurance Funds to the Corporation. Deficits in the Reinsurance Funds are funded by advances from Manitoba and Canada, which are repayable when there is a surplus in the Reserve for the Payment of Indemnities. As at March 31, 1986, there were $4,000,000 in such advances to the Reinsurance Fund of Manitoba outstanding from the Government of the Province of Manitoba. Interest is neither credited nor charged to the Funds by Manitoba or Canada.

The changes in the Crop Reinsurance Funds, on a cash basis, for the fiscal year ended March 31, 1986 were as follows:

	Reinsurance Funds	
	Manitoba	Canada for Manitoba
Balances, March 31, 1985	$ 1,117,874	$ 18,050,987
Add:		
Reinsurance premiums	6,273,231	6,118,911
	7,391,105	24,169,898
Less:		
Payments on account of indemnities	5,536,981	—
Balances, March 31, 1986	$ 1,854,124	$ 24,169,898

When taking into account the reinsurance premiums payable to and the amounts receivable from the Crop Reinsurance Funds, as shown on the balance sheet, the position of the two Funds on an accrued basis as at March 31, 1986, is a deficit of $1,374,318 for Manitoba and a balance of $24,622,340 for Canada for Manitoba.

6. **Allocation of Administrative Expenses**

During the year, the Corporation refined the basis of allocating administrative expenses to its programs. Wherever possible, expenses are charged directly to each program. For the fiscal year ended March 31, 1986, unallocated expenses were shared on the basis of 20% to hail insurance and 80% to general crop insurance. The refinement in allocation method results in administrative costs of $880,911 for the 1986 hail insurance program compared to $537,254 which would have resulted from the previous method.

7. **Other Programs**

The Corporation administered the following agricultural-related programs on behalf of the Governments of the Province of Manitoba and of Canada. For the fiscal year ended March 31, 1986, the programs and related transactions are as follows:

(A) **Canada-Manitoba Waterfowl Crop Damage Compensation Program**

Receipts:	
Expenditures recovered from the Government of the Province of Manitoba	$ 1,060,000
Expenditures:	
Indemnities paid	966,341
Estimated indemnities to be paid	43,307
Administrative expenses	50,352
	1,060,000
Balance, March 31, 1986	$ —

The estimated indemnities to be paid of $43,307 are reflected in the financial statements under other account and program payables.

(B) **Canada-Manitoba Feed Security Program Acceleration Agreement**

Receipts:	
Expenditure recovered from the Goverment of the Province of Manitoba	$ 261,266
Expenditures:	
Administrative expenses	261,266
Balance, March 31, 1986	$ —

Both programs are cost shared programs between Canada and Manitoba (50/50) and Canada's share of the expenditures is remitted directly to the Province.

8. **Comparative Figures**

Comparative figures for the year ended March 31, 1985 have been restated, where necessary, to conform with the presentation adopted for the year ended March 31, 1986.

All-Risk Insurance Program

Summary of Participation, Premiums and Indemnities Paid

Year	Contracts In Force	Per Cent Participation	Farmers' Share of Premium	Calculated Premium	Indemnities Paid	Accumulated Loss Ratio
1960-61	2,472	38.1	$ 255,487.33	$ 319,359.16	$ 87,082.62	.27
1961-62	3,654	39.9	434,782.96	543,478.70	1,586,405.96	1.93
1962-63	4,413	48.2	684,249.32	885,311.65	531,503.82	1.28
1963-64	5,142	50.3	816,901.42	1,021,126.77	1,242,164.72	1.25
1964-65	6,141	49.8	940,990.35	1,176,237.93	279,343.44	.95
1965-66	8,610	47.3	1,296,463.67	1,620,579.58	398,792.86	.74
1966-67	12,915	44.7	1,756,916.97	2,196,144.96	796,359.58	.64
1967-68	14,116	48.2	2,065,443.42	2,753,924.56	729,116.62	.54
1968-69	14,481	59.1	2,324,400.17	3,099,200.23	2,288,456.09	.58
1969-70	14,236	58.5	1,945,210.01	2,593,613.34	3,726,865.42	.72
1970-71	13,669	56.5	1,505,169.60	2,006,892.80	2,061,453.99	.75
1971-72	13,233	55.1	2,187,302.66	2,916,403.54	1,018,391.38	.70
1972-73	11,945	50.0	1,895,837.31	2,527,783.05	983,097.98	.67
1973-74	13,585	57.3	2,135,628.65	4,271,257.30	2,216,532.99	.64
1974-75	13,878	58.9	2,846,582.08	5,693,164.16	8,299,434.60	.78
1975-76	14,199	60.3	4,785,416.42	9,570,832.84	9,338,852.32	.82
1976-77	14,583	63.5	5,630,841.95	11,261,683.90	8,881,807.46	.81
1977-78	18,016	80.4	9,384,728.63	18,769,457.26	5,590,626.17	.68
1978-79	15,950	73.0	8,273,606.39	16,547,212.78	6,445,393.25	.63
1979-80	14,275	67.0	8,355,799.19	16,711,598.38	11,177,129.50	.64
1980-81	14,176	68.8	9,763,057.22	19,526,114.44	55,288,685.65	.98
1981-82	14,633	68.8*	12,035,890.51	24,071,781.02	18,770,255.07	.95
1982-83	14,087	68.3**	13,256,058.66	26,512,177.32	22,600,352.08	.93
1983-84	13,837	69.2**	13,329,863.46	26,659,726.92	22,297,580.28	.92
1984-85	14,087	72.6**	15,028,396.00	30,056,792.00	29,543,011.70	.93
1985-86	14,723	78.2**	21,827,710.36	43,655,420.72	33,287,622.21	.90

* Based on 1981 Statistics Canada estimates of farmers growing eligible crops.
**Assumes farm numbers decreased by 3% annually from 1981 census.
The calculated premium represents the farmer's share plus the Government of Canada contribution.

Additional (Part II) Hail Insurance Program

Summary of Premiums Received and Indemnities Paid

	Contracts In Force	Per Cent of Seeded Crops Insured	Premium Earned	Indemnities Paid	Accumulated Loss Ration
1970-71	1,583	12.6	$ 114,298.29	$ 112,830.73	.99
1971-72	2,668	21.1	279,918.78	80,115.04	.49
1972-73	2,443	22.2	270,917.12	70,473.72	.40
1973-74	3,626	27.4	550,019.03	616,955.74	.72
1974-75	3,681	27.8	684,576.77	423,160.85	.69
1975-76	4,411	31.7	902,833.45	1,239,490.88	.91
1976-77	4,263	30.2	1,029,237.80	1,197,152.76	.98
1977-78	4,751	26.9	1,261,470.79	1,231,459.60	.98
1978-79	5,062	33.3	1.700,062.19	1,825,162.41	1.00
1979-80	4,260	31.3	1,683,214.65	997,933.30	.92
1980-81	3,518	25.5	1,552,265.42	1,042,709.39	.88
1981-82	4,435	31.2	2,273,062.75	2,266,443.64	.90
1982-83	4,686	34.4	3,196,098.48	2,557,615.60	.88
1983-84	5,104	38.1	3,520,848.66	3,038,093.36	.88
1984-85	6,079	44.1	4,603,874.08	7,728,089.16	1.03
1985-86	6,778	47.2	8,125,390.90	3,696,891.50	.88

Additional (Part II) Hail Insurance Program

In 1985, Additional (Part II) Hail insurance coverage was offered to all-risk contract holders for the sixteenth consecutive year. Some 6,778 farmers carried this insurance which represents 47.2 per cent of those who seeded insured crops.

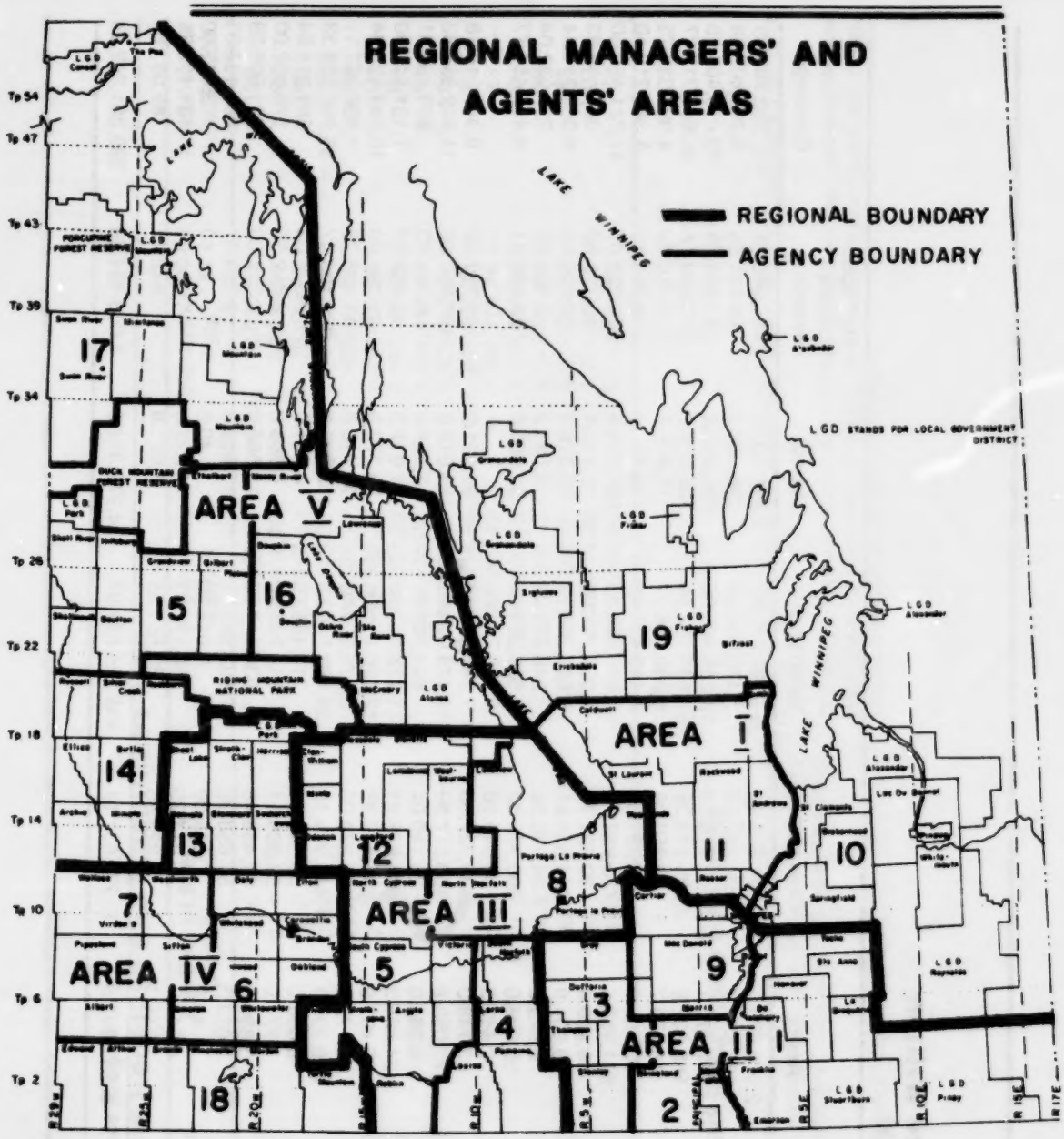
A total of 3.1 million acres were insured and carried a total liability of $258.1 million. Premium billings totalled $8,125,391 which amounts to 3.1 per cent of the liability.

Of the 6,778 farmers insured, a total of 875 (12.9 per cent) received indemnity cheques amounting to $3,696,891. For every premium dollar billed, $0.45 was paid in settlement of claims.

Summary of Insurance Written

for the Year Ended March 31, 1986

	All-Risk			Hail Spot Loss		
	Acres	Premium	Coverage	Acres	Premium	Coverage
Red Spring Wheat	2,078,679.7	5,904,803.45	160,299,279.85	1,850,850.6	1,424,946.07	143,392,681.78
Oats	162,877.7	400,357.26	7,470,804.94	138,100.6	64,621.55	6,390,807.48
Barley	997,313.1	2,545,978.62	78,236,989.36	894,942.8	721,069.83	70,418,406.76
Flax	568,832.2	2,085,114.28	37,536,152.89	538,072.2	317,639.16	35,551,717.77
Sugar Beets	18,273.7	180,380.09	5,830,054.27	15,615.7	24,990.72	4,997,337.73
Fall Rye	83,755.9	203,031.56	4,419,481.12	72,496.9	33,396.11	3,864,710.40
Rapeseed	601,962.4	2,755,982.72	50,936,500.38	564,595.4	678,222.07	47,781,199.40
Mustard	16,430.4	99,221.70	1,055,755.92	15,411.4	15,778.66	984,483.63
Sunflowers	79,231.9	244,561.61	6,636,794.76	72,019.9	53,426.45	6,054,711.44
Buckwheat	6,985.2	34,678.58	246,272.76	6,531.2	5,425.80	230,582.04
Field Peas	55,098.0	200,375.33	4,668,329.60	52,665.0	66,026.01	4,465,454.77
Unseeded Acreage	132,447.9	63,049.06	2,656,761.50	—	—	—
Grain Corn	63,748.0	434,227.00	7,244,283.69	61,031.0	64,787.02	6,949,316.16
Durum Wheat	173,089.8	460,517.30	13,178,098.68	154,012.8	127,880.62	11,842,038.82
Silage Corn	6,984.0	26,140.01	646,768.21	6,759.0	5,701.13	629,538.61
Mixed Grain	24,584.3	63,629.81	1,276,322.50	21,617.3	10,452.07	1,131,145.80
Potatoes	28,437.9	293,479.39	12,426,216.94	23,272.9	70,085.90	10,144,125.34
Forage Hay	60,172.8	155,273.09	2,175,604.63	37,710.8	11,136.79	1,606,337.11
Utility Wheat	438,995.6	1,416,998.18	38,188,586.80	412,308.6	329,133.47	35,945,638.33
Lentils	8,658.0	56,143.44	711,483.48	8,501.0	9,376.03	699,214.64
Fababeans	7,171.0	58,089.11	614,707.12	6,686.0	6,492.55	575,962.00
Canary Seed	13,886.0	31,488.46	636,117.83	13,566.0	4,314.00	621,508.29
Field Beans	7,633.3	51,658.26	883,583.18	7,613.3	9,269.37	881,187.38
Triticale	40.0	154.80	3,012.00	40.0	21.10	3,012.00
Pedigreed Timothy Seed	4,642.0	10,074.20	158,177.71	3,822.0	1,350.04	141,172.71
Soybeans	1,071.8	4,223.85	89,551.85	1,071.8	942.17	89,551.85
Total all Crops	5,641,002.6	17,779,631.16	438,225,691.97	4,979,314.2	4,056,484.69	395,391,842.24



Regional Managers:

Area I - H.F. Popoff — Stonewall
Area II - W.J. Moffat — Sanford
Area III - H.A. Hamilton — Glenboro
Area IV - C.C. McLean — Virden
(retired August 1, 1985)
- D.A. Benzie — Souris
(appointed March 3, 1986)
Area V - W.J. Wowchuk — Dauphin

Area Agents:

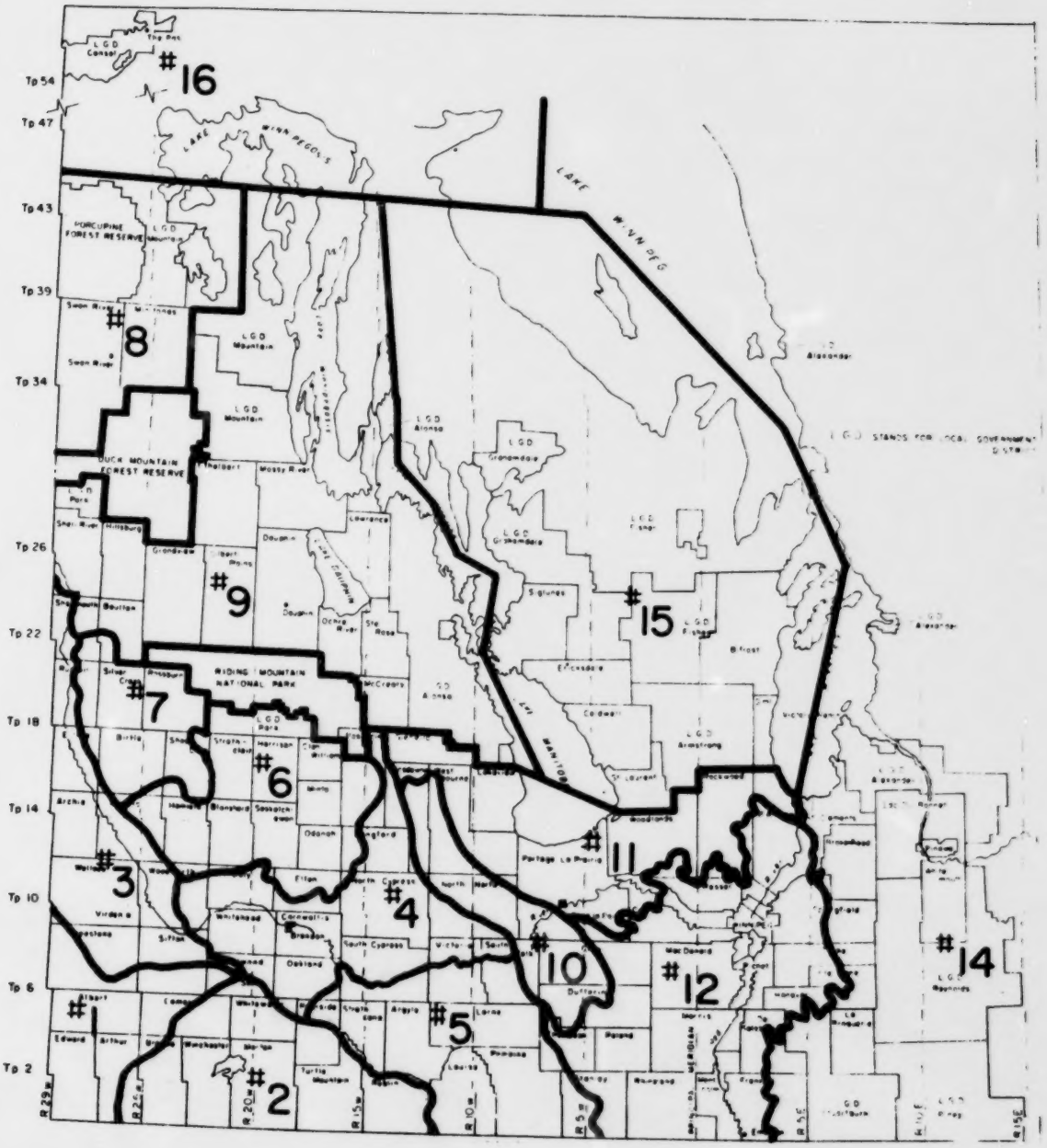
01 G.L. Loeppky — St. Pierre
02 B.D. Hildebrand — Altona
03 K.K. Porter — Carman
04 A.D. McPhee — Somerset
05 D.W. East — Glenboro
06 D.A. Benzie — Souris
(promoted to Regional Manager March 3, 1986)
07 L.B. Collier — Virden
08 G.R. Small — Portage la Prairie
09 C.L. Jessen — Sanford
10 L.E. Zieske — Beausejour

Area Agents: (continued)

11 L.D. Ciszewski — Stonewall
12 T.K. Girling — Neepawa
13 K.L. Tiller — Hamiota
14 W.F. McKerchar — Birtle
15 T.K. Britton — Grandview
16 A.N. Kotyk — Dauphin
17 G.E. McClintock — Swan River
18 J.M. Park — Deloraine
19 R.G. Chekosky — Fisher Branch
(resigned February 4, 1986)

Adjustors On Call — 178

RISK AREAS


#16
#8
#9
#7
#6
#3
#4
#1
#2
#5
#15
#11
#10
#12
#14
Tp 54
Tp 47
Tp 43
Tp 39
Tp 34
Tp 26
Tp 22
Tp 18
Tp 14
Tp 10
Tp 6
Tp 2
LAKE WINNIPEG
PORCUPINE FOREST RESERVE
DUCK MOUNTAIN FOREST RESERVE
RIDING MOUNTAIN NATIONAL PARK